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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

X Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the Quarter ended March 31, 1992

____ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

HORIZON BANKS, INC.

(Exact Name of Registrant as Specified in its Charter)

New Hampshire	**02-0415629**
(State of Incorporation)	(IRS Employer Identification Number)

P.O. Box 2067 **197 Loudon Road, Concord, NH** (Address of Principal Executive Offices)	**03302-2067** (Zip Code)

Registrant's Telephone Number: (603) 226-3600

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Not Applicable

Former Name, Former Address and Former Fiscal Year
(If Changed Since Last Report)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file for such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes (X) No ( )

As of May 5, 1992 there were 1,640,480 shares of the Corporation's Class A Common Stock, $0.10 par value, outstanding.

HORIZON BANKS, INC.
FORM 10-Q
March 31, 1992

PART 1

FINANCIAL INFORMATION

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	The following consolidated financial statements are included within:	
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HORIZON BANKS, INC
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	March 31, 1992	December 31, 1991
Assets		
Cash and due from banks	$ 1,384,480	1,555,939
Short-term investments	502,125	1,006,047
Federal funds sold	325,000	1,477,516
U.S. Government and agency securities, at cost (market value $13,875,000 and $12,843,000)	13,383,029	12,472,356
Loans		
Loans	38,237,603	38,790,697
Less: Allowance for possible loan losses	(1,060,791)	(1,622,701)
Net Loans	37,176,812	37,167,996
Real estate acquired by foreclosure or substantively repossessed	1,212,733	985,310
Bank premises and equipment	968,345	987,795
Accrued interest receivable	502,946	495,372
Other assets	194,489	122,569
Total assets	$55,649,959	56,670,900
Liabilities and Stockholders' Equity		
Deposits		
Demand	$ 4,523,332	5,587,169
NOW and money market	5,920,822	5,460,898
Savings	30,992,343	30,098,387
Time certificates	9,536,546	10,794,900
Total deposits	50,973,043	51,941,354
Other borrowed funds	819,120	807,150
Accrued interest payable and other liabilities	133,426	261,925
Total liabilities	51,925,589	53,010,429
Commitments and contingencies		
Stockholders' equity		
Class A common stock, par value $ 10 per share, 2,000,000 shares authorized, 1,640,480 shares issued and outstanding	164,048	164,048
Class B common stock, par value $ 10 per share, 2,000,000 shares authorized, no shares issued and outstanding	---	---
Paid-in capital in excess of par value	7,170,655	7,170,655
Accumulated deficit	(3,610,333)	(3,674,232)
Total stockholders' equity	3,724,370	3,660,471
Total liabilities and stockholders' equity	$55,649,959	56,670,900

HORIZON BANKS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Quarter Ended March 31, 1992	Quarter Ended March 31, 1991
Interest income:		
Short-term investments	$ 11,923	---
Federal funds sold	13,090	65,279
U.S. Government and agency securities	213,044	137,650
Loans	879,999	1,078,898
Total interest income	1,117,056	1,281,835
Interest expense:		
NOW and money market	42,441	49,961
Savings deposits	320,822	437,211
Time certificates	137,703	220,021
Short-term borrowings	6,727	10,753
Total interest expense	507,693	717,946
Net interest income	609,363	563,889
Provision for possible loan losses	75,000	51,417
Net interest income after provision for possible loan losses	534,363	512,472
Other operating income:		
Service charges on deposits	61,616	35,406
Gain on sales of U.S. Government and agency securities	54,084	---
Other	47,315	25,787
Total other operating income	163,015	61,193
Net interest income after provision for possible loan losses and other operating income	697,378	573,665
Other operating expenses:		
Salaries and benefits	256,107	236,962
Occupancy	51,379	44,740
Real estate operations, net	48,250	15,809
Other	277,743	264,701
Total other operating expenses	633,479	562,212
Income before provision for income taxes and extraordinary item	63,899	11,453
Provision for income taxes	21,725	3,800
Income before extraordinary item	42,174	7,653
Extraordinary item:		
Tax Benefit of the Utilization of Net Operating Loss Carry Forward	21,725	3,800
Net income	$ 63,899	11,453
Net income per share of common stock	$ .04	.01
Weighted Average Number of Common Shares Outstanding	1,640,480	1,640,486

HORIZON BANKS, INC
CONSOLIDATED
STATEMENTS OF CASH FLOWS
(UNAUDITED)

	THREE MONTHS ENDING MARCH 31,	
	1992	1991
Cash Flow of Operating Activities		
Net Income	$ 63,899	$ 11,453
Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities		
Provision for possible losses on loans	75,000	54,417
Gain on sale of Real Estate acquired by foreclosure	(25,000)	
Gain on sale of U.S. Government Securities	(54,084)	
Depreciation and Amortization	34,178	45,750
Increase (Decrease) in deferred loan origination fees	4,093	(416)
(Decrease) Accrued Interest Payable and in Other Liabilities	(128,499)	(30,319)
(Increase) in Accrued Interest Receivables	(7,574)	(32,326)
(Increase) in Other Assets	(76,578)	(29,361)
Residential Loans Originated for Sale	(1,190,400)	(890,203)
Principal Balance of Residential Loans Sold	1,190,400	890,203
Net Cash Provided (Used) by Operating Activities	(114,565)	16,198
Cash Flow from Investing Activities		
Purchase of Investment Securities	(3,711,564)	(2,543,670)
Proceeds from maturities of U.S. Government Securities	1,300,891	1,108,702
Proceeds from sale of U.S. Government Securities	1,554,084	
Loans Originated	(4,690,031)	(8,840,034)
Loan Principal Payments Received	4,204,699	8,397,332
Purchases of Premises and Equipment	(10,070)	(100,854)
Proceeds from Sale of Real Estate Acquired by Foreclosure	195,000	
Net Cash (Used) by Investing Activities	(1,146,991)	(1,978,524)
Cash Flow from Financing Activities		
Net Increase (Decrease) to Savings and Time Certificates of Deposit	(364,398)	3,377,315
Net Increase (Decrease) in Demand, NOW Accounts and Money Market Deposits	(603,913)	(879,330)
Increase (Used) in Other Borrowed Funds	11,970	(511,298)
Net Cash Provided by (Used) Financing Activities	(956,341)	1,986,687
Net (Decrease) Increase in Cash and Cash Equivalents	(2,227,897)	24,361
Cash and Cash Equivalents at Beginning of Period	4,439,582	4,650,100
Cash and Cash Equivalents at End of Period	2,211,685	4,674,461
Supplemental Schedule of Non-cash Investing and Financing Activities		
Cash Paid for Interest	513,350	557,230
Cash Paid for Taxes	0	0
Other Real Estate Owned Acquired in Settlement of Loans	397,423	87,400

See accompanying notes to Consolidated Financial Statements

HORIZON BANKS, INC.
Notes to Consolidated Financial Statements
March 31, 1992

(1) Accounting Policies

Financial information as of March 31, 1992 and the results of operations and cash flows for all periods presented herein are unaudited, and in the opinion of management reflect all adjustments (which consist primarily of normal recurring accruals) necessary for a fair presentation of such information. Interim results are not necessarily indicative of the results to be expected for a full year.

(2) Statement of Cash Flows

For the purpose of reporting cash flows, cash and cash equivalents consist of cash and due from banks, short-term investments, and Federal Funds sold.

(3) Lending Commitments

On March 31, 1992 the Bank had commitments to advance monies under lines of credit of approximately $5,024,000. Standby letters of credit outstanding totalled $235,000 at March 31, 1992.

PART I

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation

The sole subsidiary of Horizon Banks, Inc. (the "Company"), is Horizon Bank and Trust (the "Bank"). As all of the Company's business is conducted by the Bank, the following discussion refers to operations of the Bank.

Results of Operations

The net income for the first quarter of 1992 was $63,899 compared to a net income of $11,453 for the comparable period of 1991.

Net interest income for the three (3) months ending March 31, 1992, was up 8% to $609,363 as compared to $563,889 for the same period in 1991 primarily because of a decline of interest on deposits. Average loans outstanding were essentially flat at $38,200,000 while the average yield declined from 11.34% to 9.34%. Investment securities (including short-term investments and federal funds sold) average balance increased 33% to $15,227,000 while yields decreased from 7.17% to 6.27%. The decline in average loan yields were impacted by two (2) factors, variable rate loan repricing at lower rates consistent with declining market rates and the slight increase of non-accrual loans. As a percentage of average loans outstanding, non-accrual loans increased to 2.66% from 2.29% in the same period last year. The decline in investment yields is because of maturing investments being reinvested in lower rates along with additional investments at lower rates.

Average cost of funds declined substantially to 3.89% from 6.40%. The decline in rates is for two (2) reasons, one generally lower interest rates are paid on deposits and the mix of deposits has changed. Demand deposits and NOW accounts are 15.6% of all deposits on average in the first quarter of 1992 compared to 11.4% in the first quarter 1991 on average.

Total other operating income increased from $61,193 to $163,015. Gains on sales of Government securities equals $54,084 of the increase. All other non-interest income increase 78% reflecting increased account volume and a large number of mortgage refinancing where customers are taking advantage of lower rates.

Other operating expenses have increased 13% to $633,479 for the three (3) months ending March 31, 1992 as compared to $562,212 for the three (3) months ending March 31, 1991. Included in these expenses are salaries of $256,107 up 8%, occupancy $51,379 up 14%, and other operating expenses of $277,743 up 5%. Also included is real estate operations, net, the result of other real estate owned expenses net of gains or real estate sold of $25,000.

Allowance For Possible Losses on Loans

Possible loan losses are recognized using the allowance method. The provision for possible loan losses was $75,000 for the first quarter of 1992 compared to $51,417 for the first quarter of 1991. Charge offs totalling $638,000 for previously identified non-performing loans were taken during the first quarter ending March 31, 1992. This is compared to $338,000 charged off the first quarter of 1991.

The following table summarizes the changes in allowance for loan losses for the three months ending March 31, 1992 and the year ending December 31, 1991. Along with a summary of non-performing and restructured assets as of March 31, 1992 and December 31, 1991.

ALLOWANCE FOR POSSIBLE LOAN LOSSES:

(000 omitted)	Quarter Ending March 31, 1992	Year Ending December 31, 1991
Balance, beginning of period	$1,623	1,145
Provision, charged to expenses	75	2,001
Total	1,698	3,146
Loans charged off	(638)	(1,562)
Recoveries on loans previously charged off	1	39
Balance, end of period	$1,061	1,623
Allowance as a percent of Gross Loan Balances	2.77%	4.19%

NON-PERFORMING AND RESTRUCTURED ASSETS ARE SUMMARIZED AS FOLLOWS:

(000 omitted)	March 31, 1992	December 31, 1991
Non-Accrual Loans	$ 698	1,299
Real Estate acquired through foreclosure	1,213	985
Restructured Loans	156	157
Total Non-Performing Assets	$2,067	2,441

TOTAL NON-PERFORMING ASSETS AS A PERCENT OF:

	March 31, 1992	December 31, 1991
Total Assets	3.71%	4.31%
Total Shareholders' Equity	55.5%	66.7%

ALLOWANCE FOR POSSIBLE LOAN LOSSES AS A PERCENT OF:

Non-Accrual Loans	152%	125%
Non-Accrual and Restructured Loans	126%	111%
Non Performing Assets	51%	66%
Total Loans	2.77%	4.19%

The provision for loan losses and the resulting allowance for possible loan losses reflect a severely economically impacted New England real estate market. Although management has made its best estimates of future loan losses, there is continued economic uncertainty and other outside influences, such as the disposition of assets owned by the F.D.I.C., that effect not only the general economy as a whole but particularly the values of collateral securing our loans, especially real estate. It is possible that these conditions could result in additional charge offs, a higher level of allowance for losses, and a higher level of non-performing and restructured assets. In addition, there can be no assurance that the Bank's regulators would concur with the Bank's analysis.

Liquidity

Liquidity is an important indicator of the Company's overall financial condition. Liquidity management involves the ability to meet the cash flow requirements of customers who may be either depositors wanting to withdraw funds or borrowers needing assurances that sufficient funds will be available to meet their credit needs. The Company tries to maintain liquidity while at the same time meeting local loan demand. As of March 31, 1992 cash due from banks was $1.4 million. Federal funds sold and short-term investments were $827,000 and U.S. Government and Agency Securities equalled $13.4 million for a total of $15.6 million compared to a total of $12.8 million at March 31, 1991. These sources of funds combined with amortization of the loan portfolio, prepayment of loans, should continue to enable the bank to meet the needs of our customers.

Capital Resources

At March 31, 1992 the Company's equity capital was $3.724 million or 6.69% of total assets.

The Company and the bank are regulated by the Federal Reserve Board. In January 1989, the Federal Reserve Board adopted Final Risk-Based Capital Guidelines for Bank Holding Companies. these guidelines establish a risk-based ratio relating capital to different categories of balance sheet assets and off-balance sheet obligations based upon risk. At December 31, 1991, the minimum risk-based capital ratio required was 7.25% and will increase to 8.0% on December 31, 1992. the Bank's risk-based capital ratio at March 31, 1992 was 10.71%. The Company's risk-based capital ratio was 10.79%.

Impact of Inflation

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles which require the measurement of financial position and operating results in terms of historical dollars without considering the changes in the relative purchasing power of money over time due to inflation. The primary impact of inflation on the Company's operations is reflected in increased operating costs. Virtually all of the Company's assets and liabilities are monetary in nature. As a result, interest rates have a more significant impact on the Company's performance than the effects of general levels of inflation. Interest rates do not necessarily move in the same direction or to the same extent as the prices of goods and services.

PART II

Other Information

Item 1. Legal Proceedings

There are no material pending legal proceedings to which the Company or the Bank is party of or of which their property is subject. The Bank is, however, from time to time involved in ordinary pending litigation incidental to its business.

Item 2. Changes in Securities

None

Item 3. Defaults Upon Senior Securities

Not Applicable

Item 4. Submission of Matters to a Vote of Securities Holder

At the Annual Meeting of the Company held on April 21, 1992 the following directors were elected to a three year term:

Kenneth A. Bradley, Thomas W. Brightman, Richard W. Burpee, Daniel E. Church, and Thomas E. King

The following individuals continue to serve as directors:

Bruce D. Clow, Raymond P. D'Amante, Forrest D. McKerley, David T. McLaughlin, Peter P. Timbas, Thomas D. Rath, Charles F. Whittemore, Sherilyn Burnett Young, and J. Daniel Davidson.

At the Annual Meeting the shareholders voted to Amend the Articles of Incorporation to delete Article IV and replace it in its entirety authorizing 5,000,000 shares of Class A Common Stock, $.10 par value per share.

Item 5. Other Information

Management and the Company's directors regret to report that Director David A. Hodges, Sr. has resigned as Director of both the Company and the Bank. This resignation was effective April 16, 1992.

Item 6. Exhibits and Reports on Form 8-K

a.) Not Applicable

b.) No reports on Form 8-K were filed during the quarter ended March 31, 1992.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HORIZON BANKS, INC.

DATED: May 5, 1992

By: _____
Bruce D. Clow, President and Chief Executive Officer

DATED: May 5, 1992

By: _____
Thomas W. Brightman, Executive Vice President, Treasurer and Assistant Secretary
(Principal Financial and Accounting Officer)